



U.S. Department of Justice

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EVENT: Guilty Verdict

Defendant: Ilene Ruth Moses

A Resident of Las Vegas, Nevada found Guilty of Federal Crimes

United States Attorney Stephen J. Murphy announced that a jury, after deliberating approximately two days, returned guilty verdicts today against Ilene Ruth Moses, a resident of Las Vegas, Nevada, for various violations of federal criminal law, including wire fraud, mail fraud, bank fraud, money laundering, conspiracy to launder money, bankruptcy fraud, perjury, and making false statements to the Federal Bureau of Investigation.

The four week trial was conducted before Senior United States District Judge Patrick J. Duggan in Detroit, Michigan.

Ilene Ruth Moses, aged 70, operated a women's clothing manufacturing and sales business in Detroit in the 1980s and was celebrated as one of the 10 Michiganians of the year by the Detroit News in 1984 for her apparent business acumen and financial success. She was also honored by the United Nations for her seeming business success.

The evidence presented at trial established that Ilene Moses, formerly of Grosse Pointe and owner

of SMS, Inc. of Detroit, defrauded two banks, Michigan National Bank and Swiss Cantobank International, out of approximately \$26 million between 1983 and 1988. Afterwards, Ilene Moses lulled the banks into believing that she was the victim of the secret cartel with whom she had conducted her international business and was able to avoid the discovery of her fraud by the FBI until 1992. Mrs. Moses and her codefendants were able to persuade a Swiss auditing firm that she really had these contacts to the secret cartel and in that way convinced the auditing firm to provide confirmation of millions of dollars of business supposedly being conducted between Mrs. Moses' companies and the cartel, which resulted in millions of dollars supposedly owed to Mrs. Moses' companies. These assets were then included in SMS's audited financial statements, which enabled Moses to obtain her bank loans. The fraud involved the use of a number of shell companies in Europe and Hong Kong, and a system of phony paperwork which helped make Moses' business look real to her auditors and bankers.